

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
V.	:	DATE FILED: _____
SOTARO INAMI TAKASHI MATSUBARA	:	VIOLATION: 18 U.S.C. §371 (conspiracy to export defense articles without a license - 1 count)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. At all times material to this indictment, the President of the United States of America, in furtherance of world peace and the security and foreign policy of the United States, was authorized by law to control the export of defense articles and to issue regulations governing their export.

2. At all times material to this indictment, the commercial export of arms, ammunition, implements of war, and defense articles from the United States was governed by the Arms Export Control Act, Title 22, United States Code, Section 2778, and the International Traffic in Arms Regulations (“ITAR”), Title 22, Code of Federal Regulations, Sections 121-130, and items designated by the President as defense articles or defense services constituted the United States Munitions List.

3. At all times material to this indictment, persons desiring to export from the United States arms, ammunition, implements of war, and defense articles specified on the United States Munitions List, must have registered with the Office of Defense Trade Controls (“ODTC”) of the Department of State and obtained individual export licenses for each shipment abroad prior to the export, as set forth in Title 22, Code of Federal Regulations, Sections 122 and 123.

4. At all times material to this indictment, the AN/PEQ2a laser sight was a defense article contained on the United States Munitions List, and required a license from the ODTC for export from the United States, as set forth in Title 22, Code of Federal Regulations, Section 121, et seq.

5. Between on or about September 24, 2003, and on or about February 17, 2004, in the Eastern District of Pennsylvania and elsewhere, defendants

**SOTARO INAMI and
TAKASHI MATSUBARA**

conspired and agreed, together with persons known and unknown to the grand jury, to violate the Arms Export Control Act, Title 22, United States Code, Section 2778(b)(2), and the International Traffic In Arms Regulations (ITAR), Title 22, Code of Federal Regulations, Sections 121-130, by knowingly and willfully exporting from the United States to Japan an item listed on the United States Munitions List, Title 22, Code of Federal Regulations, Section 121.1, specifically one or more infrared target pointer/illuminator aiming lasers, Model AN/PEQ2a, which were specifically designed, modified and configured for military application and which are listed on the United States Munitions List, without first obtaining a license for such export.

MANNER AND MEANS

It was part of the conspiracy that:

6. Beginning in or about September 2003, defendant SOTARO INAMI instructed defendant TAKASHI MATSUBARA to try to purchase AN/PEQ2a laser sights, which are highly specialized sights used for U.S. military M-16 rifles, on his behalf from the United States, for illegal shipment to Japan for resale by defendant INAMI.

7. On numerous occasions between in or about September 2003 and in or about February

2004, defendant TAKASHI MATSUBARA, who was located in Japan, conducted negotiations by use of telephone and electronic mail (“e-mail”) with J.F., located in the United States, who is separately charged elsewhere, to purchase one or more AN/PEQ2 laser sights from J.F. on behalf of defendant SOTARO INAMI.

8. In or about November 2003, J.F. told defendant TAKASHI MATSUBARA to continue negotiations for the AN/PEQ2a laser sights with another company, which was an undercover business (hereinafter “the undercover company”) operated by the United States government in the Eastern District of Pennsylvania, telling defendant TAKASHI MATSUBARA that he could not obtain the AN/PEQ2a laser sights, but the undercover company could obtain the sights and sell them to defendant MATSUBARA.

9. In or about February 2004, once agents from the undercover company assured defendant TAKASHI MATSUBARA that they had five AN/PEQ2a laser sights available for sale, defendant SOTARO INAMI took over direct negotiations with the undercover company.

10. On or about February 9, 2004, defendant SOTARO INAMI agreed to purchase five AN/PEQ2a laser sights from the undercover company for a total of \$11,000.

11. Defendant SOTARO INAMI agreed to fly to the United States to meet agents from the undercover company in Los Angeles, California on February 18, 2004, to complete the sale of the five AN/PEQ2a laser sights.

OVERT ACTS

1. On or about December 1, 2003, defendant TAKASHI MATSUBARA, on behalf of defendant SOTARO INAMI, contacted the undercover company by e-mail, and asked if the AN/PEQ2a devices could be sent to Japan.

2. On or about December 21, 2003, defendant TAKASHI MATSUBARA, on behalf of defendant SOTARO INAMI, sent the undercover company an e-mail saying that he would be sending \$1,200 in the next week to purchase a single AN/PEQ2a.

3. In or about January 2004 defendant TAKASHI MATSUBARA, on behalf of defendant SOTARO INAMI, sent a money order for \$1,200 to the undercover company in the Eastern District of Pennsylvania, as payment for the laser sight.

4. On or about January 19, 2004, defendant SOTARO INAMI sent an e-mail to the undercover company identifying himself, saying that he wanted to discuss business, and providing several telephone numbers to reach him at in Japan.

5. On or about January 20, 2004, after agents sent an e-mail to defendant TAKASHI MATSUBARA notifying him that the undercover company had five more AN/PEQ2a's available for purchase, defendant SOTARO INAMI left a voicemail message with the undercover company expressing interest in purchasing the five additional AN/PEQ2a laser sights, and left a mobile telephone number in Japan as a way to contact him.

6. On or about January 21, 2004, defendant SOTARO INAMI sent an e-mail to the undercover company stating that he was coming to the United States soon, that he wanted to purchase additional military items, and that he wished to discuss export issues of military items like the AN/PEQ2a laser sight.

7. On or about January 23, 2004, during a telephone conversation with an undercover agent, defendant SOTARO INAMI said that he was aware that the AN/PEQ2a laser sight could only be sold to the U.S. Military and could not be shipped outside of the United States, but that he had previously shipped U.S. Military items out of the United States without proper licensing.

8. On or about February 9, 2004, defendant SOTARO INAMI telephoned an undercover agent, saying that he wanted to meet in the United States to complete the transaction for five AN/PEQ2a laser sights at a total cost of \$11,000.

9. On or about February 10, 2004, during a telephone call with an undercover agent, defendant SOTARO INAMI said he would be in Los Angeles on February 18, 2004, and wanted to meet, but that he would have another person actually ship the AN/PEQ2a laser sights out of the United States because he feared being caught by United States Customs.

10. On or about February 10, 2004, defendant SOTARO INAMI directed the wire transfer of \$11,000 from his account at Citibank in Japan, to the Bank of America, located in Las Vegas, Nevada.

11. On or about February 12, 2004, defendant SOTARO INAMI flew to the United States, initially traveling to Las Vegas, and then arriving in Los Angeles on or about February 17, 2004 to purchase the AN/PEQ2a laser sights.

In violation of Title 18, United States Code, Section 371.

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
United States Attorney